

SECOND ADDENDUM TO AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

WHEREAS, Boeing Realty Corporation, a California corporation, as seller ("Seller") and Sares-Regis Group, a California general partnership, as buyer ("Buyer") entered into that certain Agreement for Development, Purchase and Sale of Real Property and Escrow Instructions dated as of February 9, 2000, as amended by that certain Addendum thereto dated as of February 24, 2000 (the "Agreement");

WHEREAS, Buyer and Seller desire to enter into this Second Addendum to the Agreement ("Second Addendum"), which shall be deemed incorporated into and shall form a part of the Agreement for all purposes and at all times hereafter;

NOW, THEREFORE, the parties agree as follows:

1. Capitalized terms used herein and not otherwise defined herein shall have the meaning(s) ascribed to same under the Agreement.
2. Notwithstanding paragraph 3.2.1 of the Agreement, Buyer and Seller acknowledge and agree that in lieu of the Additional Deposit required thereunder, Buyer shall deliver to BRC, on or before March ²¹~~2~~, 2000, an original, valid letter of credit ("Letter of Credit") in the face amount of Two Million Dollars (\$2,000,000.00) issued by Union Bank in the form of Exhibit "A" attached hereto and incorporated herein by this reference, naming the Title Company as payee, and drawable by Seller as beneficiary for deposit only with Title Company (and not for delivery of proceeds directly to Seller) upon Seller's delivery to Union Bank of a certificate signed by Seller stating that Seller

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claims that Buyer is in breach of the Agreement. The Letter of Credit must be duly completed and issued.

3. Upon Seller's receipt of the Letter of Credit, Seller shall instruct Escrow Holder to pay and refund the Initial Deposit to Buyer. In the event that Seller draws upon the Letter of Credit and the proceeds thereof are paid to Escrow Holder, such proceeds shall constitute the Deposit under the Agreement for all purposes and shall be subject to each and all terms and conditions under the Agreement applicable to the Deposit (including without limitation that such Letter of Credit proceeds shall constitute Liquidated Damages thereunder).

4. Notwithstanding paragraph 4.3.1 of the Agreement, Buyer and Seller acknowledge and agree that the Feasibility Deadline under the Agreement is 5:00 p.m. as of March 15, 2000, and Buyer hereby removes its Feasibility Contingency pursuant to paragraphs 4.3.1 and 4.3.2 of the Agreement as of the Feasibility Deadline, as so amended.

5. Buyer and Seller acknowledge and agree that certain known petroleum contamination reflected in a series of documents delivered by Seller to Buyer on March 13, 2000 and authored by Integrated Environmental Services, Inc. (expressly excluding any unknown or future releases or spills, the "Known Petroleum Spill") shall be treated for all purposes as "Seller Contamination" under the Agreement (including without limitation under paragraph 9.5 thereof). Notwithstanding anything to the contrary contained in paragraph 9.5 of the Agreement, including without limitation paragraph 9.5.2, at no time shall the Known Petroleum Spill constitute an Excluded

Claim by reason of the ten (10) year limitation expressed therein, but rather (a) Seller shall at all times be required to perform Required Remediation (if any) now or at any time hereafter concerning the Known Petroleum Spill, and (b) the Known Petroleum Spill shall be subject to the indemnification provisions of paragraph 9.5.2 of the Agreement.

6. Buyer and Seller acknowledge and agree that time is of the essence under the Agreement, and especially as regards the Feasibility Deadline and the Closing Date. Buyer acknowledges and agrees that Seller shall be under absolutely no obligation to enter into any extension(s) or modification(s) of the Agreement.

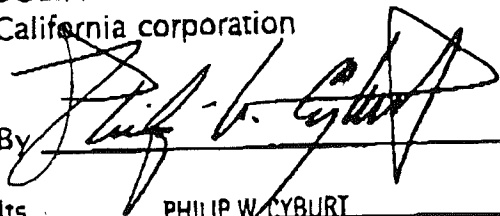
7. Except as expressly modified hereby, each, every and all terms and

conditions of the Agreement shall continue in full force and effect. In the event of any express conflict between the terms of the Agreement and the terms of this Second Addendum, the terms hereof shall prevail.

Dated as of March 15, 2000

SELLER:

BOEING REALTY CORPORATION, a
California corporation

By 
Its PHILIP W. CYBURT
VICE PRESIDENT

BUYER:

SARES-REGIS GROUP,
a California general partnership

By: SARES COMPANY,
a California corporation,
as general partner

By _____

Its _____

conditions of the Agreement shall continue in full force and effect. In the event of any express conflict between the terms of the Agreement and the terms of this Second Addendum, the terms hereof shall prevail.

Dated as of March 15, 2000

SELLER:

**BOEING REALTY CORPORATION, a
California corporation**

By _____

Its _____

BUYER:

**SARES-REGIS GROUP,
a California general partnership**

By: **SARES COMPANY,
a California corporation,
as general partner**

By  _____

Its _____ **SECRETARY**

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